



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

MW

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/586,742	06/05/2000	Andrew S. Van Luchene	99-091	8655

22927 7590 02/19/2004

WALKER DIGITAL  
FIVE HIGH RIDGE PARK  
STAMFORD, CT 06905

EXAMINER

GARG, YOGESH C

ART UNIT PAPER NUMBER

3625

DATE MAILED: 02/19/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/586,742

Applicant(s)

VAN LUCHENE ET AL.

Examiner

Yogesh C Garg

Art Unit

3625

NW

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 05 June 2000.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-59 and 83-94 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-59 and 83-94 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date 4 7 7.
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

## DETAILED ACTION

### *Response to Amendment*

1. Amendment, paper # 9, received on 10/31/2003 is acknowledged and entered. Claims 60-82 have been canceled. Invention I, as detailed in the earlier office action requiring restriction, has been elected by the applicant without traverse. Currently elected claims 1-59, and 83-94 are pending for examination.

Note: In the earlier Office Action, paper number 8, claims 90-92 were omitted from the restriction requirement. However, the omitted claims 90-92 would have been grouped with the elected invention and as such they will be examined with the elected group.

### *Abstract*

2. The abstract of the disclosure is objected to because it exceeds the suggested range of 50 to 150 words. Correction is required. See MPEP § 608.01(b).

### *Claim Rejections - 35 USC § 101*

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3.1. Claims 1-11, 13, 15-59, 83-89, 93, and 94 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing

for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409

U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In re Toma at 857.

In Toma, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in State Street Bank & Trust Co. v. Signature Financial Group, Inc. never addressed this prong of the test. In State Street Bank & Trust Co., the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See State Street Bank & Trust Co. at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See State Street Bank & Trust Co. at 1377. Both of this analysis goes towards whether the claimed invention is non-statutory because of the presence of

an abstract idea. Indeed, State Street abolished the Freeman-Walter-Abele test used in *Toma*. However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in State Street (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, the body of the claims 1-11, 13, 15-59, 83-89, 93 and 94 have no connection to the technological arts ( Note: the recitation of technological arts in the preamble has not been given patentable weight because the recitation occurs in the preamble. A preamble is generally not accorded any patentable weight where it merely recites the purpose of a process or the intended use of a structure, and where the body of the claim does not depend on the preamble for completeness but, instead, the process steps or structural limitations are able to stand alone. See *In re Hirao*, 535 F.2d 67, 190 USPQ 15 (CCPA 1976) and *Kropa v. Robie*, 187 F.2d 150, 152, 88 USPQ 478, 481 (CCPA 1951). None of the steps indicates any connection to a computer or technology. The step of receiving offer information, matching information, determining evaluation rule and codes, outputting prices, measuring performance of the controller, etc. could be performed manually by a person who can act as a controller of the operations. Therefore, the claims are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed

within the technological arts, such as incorporating a computer network or electronic network into the method steps, which form part of the body of the claims.

***Claim Rejections - 35 USC § 112***

**4. The following is a quotation of the second paragraph of 35 U.S.C. 112:**

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

**4.1. Claims 23-24, 28 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.**

Claims 23-24 state that the evaluation rule is performed automatically based on revenue management information associated with the controller, wherein the revenue management information comprises at least one of: (i) an amount of profit associated with the controller, and (ii) a number of transactions associated with the controller. It is unclear as how the evaluation rule based upon revenue management information, which could be either the amount of profit or a number of transactions associated with the controller are functionally integrated with the step of matching the buyer and seller offers recited in claim 1, of which the claims 23 and 24 are dependencies. As best understood by the examiner and in context of the limitations recited in the claim 1 the claims 23-24 are interpreted to be related to the price information from buyers and sellers and the difference between them and will be further treated on merits accordingly.

Claim 28 states measuring a current performance of the controller and determining the evaluation rule is based on the current performance of the controller. It

is unclear as how the measure of current performance of the controller and determining the evaluation rule based on the current performance of the controller are functionally integrated with the step of matching the buyer and seller offers based upon the evaluation rule as recited in claim 1, of which the claim 28 is a dependency. As it is not possible to relate and functionally integrate the limitations of claim 28 with those of claim 1, claim 28 is not being further treated on merits for prior art rejection.

***Claim Rejections - 35 USC § 102***

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-15, 19-48, 50-59, and 83-94 are rejected under 35 U.S.C. 102(e) as being anticipated by Ojha et al. (US Patent 6,598,026), hereinafter, referred to as Ojha.

**Regarding claim 1**, Ojha discloses a method for a controller to facilitate a transaction (see at least abstract, and FIG.1. Note: In Fig.1, Web site 102 corresponds to the claimed controller in the application), comprising:

receiving seller offer information associated with an item being offered for sale by a seller (see at least col.2, lines 57-59, and Fig.5. Fig.5 displays the seller [IBM] offers and offer information associated with an item like Thinkpad. See also col.4, lines 49-67);



receiving buyer offer information associated with a buyer offering to make a purchase (see at least col.3, lines 6-21, "*For each product saved in the shopping list a bid button is provided, activation of which causes a bid interface to be presented by which the buyer may submit a non-binding bid to the seller of that particular product. Alternatively, the bid interface may be in the shopping list itself. According to a specific embodiment, the bid is made available to a number of different sellers offering the same product. .... Using the shopping list, the buyer may make a number of bids for the same or different products to a number of different sellers simultaneously.* ". Submitting of non-binding bids by the buyer corresponds to receiving offer. See also col.4, lines 49-67);

determining an evaluation rule;

matching the seller offer information and the buyer offer information based on the evaluation rule; and

arranging for the seller to sell the item to the buyer.

(For the above three limitations see at least col.3, line 66-col.4, line 23, "*..... the seller may specify a set of business rules according to which automated responses to the posted bids are generated. The response to a bid may be an acceptance of the bid or a counteroffer. According to various embodiments, market information is displayed along with the list of current bids to help the seller with responding to any or all of the bids, i.e., decision-making support. .... The seller (or the business rules specified by the seller) can then use the demand data to develop a strategy for responding to one or more bids. .... If the seller's response is an acceptance of the buyer's bid, the buyer is enabled to complete the transaction if he so chooses. According to a particular embodiment, this is accomplished by means of an HTML link to the seller's web site. Alternatively, the transaction site can make the buyer's payment and shipping information available to the seller.* ". Note: In Ojha, specifying business rules correspond to determining an evaluation rule on the basis of which the sellers and buyers offers are matched and sellers either accept the buyers

bid and completion of the transaction by making buyer's payment and providing shipping information to the seller corresponds to arranging for the seller to sell the item to the buyer. See also col.4, lines 49-67).

**Regarding claim 2**, Ojha discloses a method for a controller to facilitate a transaction as analyzed and disclosed in claim 1 above. Ojha also discloses determining a buyer offer code based on the buyer offer information; determining a seller offer code based on the seller offer information; and matching the buyer offer code with the seller offer code based on the evaluation rule (see at least see at least col.3, line 66- col.4, line 23, " ..... *the seller may specify a set of business rules according to which automated responses to the posted bids are generated. The response to a bid may be an acceptance of the bid or a counteroffer. According to various embodiments, market information is displayed along with the list of current bids to help the seller with responding to any or all of the bids, i.e., decision-making support. .... The seller (or the business rules specified by the seller) can then use the demand data to develop a strategy for responding to one or more bids. .... If the seller's response is an acceptance of the buyer's bid, the buyer is enabled to complete the transaction if he so chooses. According to a particular embodiment, this is accomplished by means of an HTML link to the seller's web site. Alternatively, the transaction site can make the buyer's payment and shipping information available to the seller.* ". Note: In Ojha, buyer's bid and seller's acceptance of the bid correspond to the buyer's code and seller's code respectively which are two matched for the completion of transaction based upon business rules. See also col.4, lines 49-67).

**Regarding claim 3**, Ojha further teaches that the method of claim 2, wherein the buyer offer code is associated with a set of possible items, and said matching comprises determining that the seller offer code is associated with a subset of the set of

possible items (see at least col.5, lines 40-55, wherein Ojha teaches that the buyer offer information includes a plurality of conditional price offers, which correspond to the buyer offer codes, for a set of possible items, as displayed in Fig.6 and matching with the acceptance of the seller, which corresponds to the seller offer code, with one of the buyer's offers, which corresponds to a subset of the possible items against which the buyer has submitted offers. ).

**Regarding claim 4**, Ojha discloses a method for a controller to facilitate a transaction as analyzed and disclosed in claim 1 above. Ojha also discloses determining an item quality class associated with the item based on the seller offer information, and matching the buyer offer information with the item quality class (see at least col.9, lines 28-45, "*The buyer may further specify the type of laptop (e.g., ThinkPad.RTM. 600) to varying degrees of specificity in the Keyword(s) window. More advanced searching options are also available for more skilled users and more focused searches in which a variety of product criteria may be specified. ... When the buyer finishes specifying the product and clicks on "Go," a search of a proprietary database is initiated in response to which relevant product information is presented in the form of a list of products as shown in interface 500 of FIG. 5. Each entry in the list includes the manufacturer, specific product information, and a product price (e.g., the "Lowest Price" column which displays the lowest list price from among the sellers selling the specific product via the transaction site).*". Note: Ojha's teaching of specifying the product, e.g., IBM laptop Thinkpad..600...and then matching if the seller's prices are quoted for the same product as specified by the buyer corresponds to the claimed limitation of associating quality class to the item and matching the seller's offer with the buyer's offer.).

**Regarding claim 5**, Ojha teaches determining the item quality class is based on at least one of (i) an item category, (ii) at least one item feature, (iii) an item price, (iv) an age associated with the item, (v) an item manufacturer, (vi) an item description, (vii) an item image, (viii) an item condition, and (ix) an accessory associated with the item (see at least col.9, lines 28-45, "*The buyer may further specify the type of laptop (e.g., ThinkPad.RTM. 600) to varying degrees of specificity in the Keyword(s) window. More advanced searching options are also available for more skilled users and more focused searches in which a variety of product criteria may be specified. ... When the buyer finishes specifying the product and clicks on "Go," a search of a proprietary database is initiated in response to which relevant product information is presented in the form of a list of products as shown in interface 500 of FIG. 5. Each entry in the list includes the manufacturer, specific product information, and a product price (e.g., the "Lowest Price" column which displays the lowest list price from among the sellers selling the specific product via the transaction site).*" .. Note: specifying IBM laptop Thinkpad..600...covers this limitation).

**Regarding claim 6**, Ojha shows that the method of claim 4, further comprising: outputting, based on the item quality class, a suggested item price to at least one of (i) the buyer, and (ii) the seller (see at least FIG.5, Fig.8, Fig.9, Fig.11)..

**Regarding claim 7**, Ojha shows that the method of claim 4, further comprising: outputting, based on the item quality class, a suggested item price range to at least one of: (i) the buyer, and (ii) the seller (see at least FIG.5, "**List price Range: .....**").

**Regarding claims 8, 9, and 10**, Ojha discloses a method for a controller to facilitate a transaction as analyzed and disclosed in claim 1 above. Ojha further shows:

that the seller offer information includes a seller price, the buyer offer information includes a buyer price, and said matching comprises matching the seller offer information and the buyer offer information based on the seller price and the buyer price, the seller price is less than or equal to the buyer price, and the seller price is greater than the buyer price.

(see at least see at least col.3, line 66-col.4, line 23, " ..... *the seller may specify a set of business rules according to which automated responses to the posted bids are generated. The response to a bid may be an acceptance of the bid or a counteroffer. According to various embodiments, market information is displayed along with the list of current bids to help the seller with responding to any or all of the bids, i.e., decision-making support. .... The seller (or the business rules specified by the seller) can then use the demand data to develop a strategy for responding to one or more bids. .... If the seller's response is an acceptance of the buyer's bid, the buyer is enabled to complete the transaction if he so chooses. According to a particular embodiment, this is accomplished by means of an HTML link to the seller's web site. Alternatively, the transaction site can make the buyer's payment and shipping information available to the seller.* ". Note: In Ojha, buyer's bid and seller's acceptance of the bid correspond to the buyer's price and seller's price respectively which are two matched for the completion of transaction based upon business rules. The acceptance of the bid by the seller corresponds to the fact that the seller price is equal or lower than the buyer price and if the seller proposes a counteroffer that corresponds to a seller price greater than the buyer price. See also col.4, lines 49-67).

**Regarding claim 11**, Ojha discloses a method for a controller to facilitate a transaction as analyzed and disclosed in claim 1 above. Ojha further discloses that the seller offer information includes a seller price, the buyer offer information includes a buyer price (this limitation is already covered in claim 8 above), and said matching

comprises matching the seller offer information and the buyer offer information based on information not including the seller price and the buyer price (see at least col.5, lines 26-39, " *According to additional embodiments, methods and apparatus are provided for facilitating transactions between a buyer and a plurality of sellers via the Internet. Product information relating to a plurality of products meeting product criteria specified by the buyer is provided via the Internet. One of the plurality of sellers being associated with each of the products. In response to selection of one of the plurality of products by the buyer, the product information corresponding to the selected product is saved to a shopping list associated with the buyer. The shopping list enables the buyer to subsequently negotiate with selected ones of the plurality of sellers for selected ones of the plurality of products for which the product information has been saved.* " . Note: Here, Ojha shows that matching is done based upon product criteria and not on matching the prices because the transactions are open and subject to negotiations).

**Regarding claim 12,** Ojha discloses a method for a controller to facilitate a transaction as analyzed and disclosed in claim 1 above. Ojha also discloses that the said seller offer information comprises receiving the seller offer information from the seller via at least one of (i) a Web site, (ii) the Internet, (iii) a seller computer, (iv) a personal digital assistant, (v) a kiosk, (vi) an electronic mail message, (vii) a telephone, (viii) an interactive voice response unit, and (ix) an operator (see at least FIG.1, and col.8, line 49-col.9, line 9).

**Regarding claim13,** Ojha discloses a method for a controller to facilitate a transaction as analyzed and disclosed in claim 1 above. Ojha also discloses that the seller offer information comprises at least one of (i) an item category, (ii) an item quality class, (iii) at least one item feature, (iv) a seller price, (v) an age associated with the

item; (vi) an item manufacturer, (vii) an item description, (viii) an item image, (ix) an item condition, (x) an accessory associated with the item, (xi) a seller offer period, (xii) seller delivery information, (xiii) seller payment information, (xiv) a seller evaluation rule, and (xv) a seller preference (see at least col.9, lines 28-45, "*The buyer may further specify the type of laptop (e.g., ThinkPad.RTM. 600) to varying degrees of specificity in the Keyword(s) window. More advanced searching options are also available for more skilled users and more focused searches in which a variety of product criteria may be specified. ... When the buyer finishes specifying the product and clicks on "Go," a search of a proprietary database is initiated in response to which relevant product information is presented in the form of a list of products as shown in interface 500 of FIG. 5. Each entry in the list includes the manufacturer, specific product information, and a product price (e.g., the "Lowest Price" column which displays the lowest list price from among the sellers selling the specific product via the transaction site).*" .. Note: specifying IBM laptop Thinkpad..600...covers this limitation. Also see col.3, lines 6-58.).

**Regarding claim 14,** Ojha discloses a method for a controller to facilitate a transaction as analyzed and disclosed in claim 1 above. Ojha also discloses that the said receiving buyer offer information comprises receiving the buyer offer information from the buyer via at least one of (i) a Web site, (ii) the Internet, (iii) a buyer computer, (iv) a personal digital assistant, (v) a kiosk, (vi) an electronic mail message, (vii) a telephone, (viii) an interactive voice response unit, and (ix) an operator (see at least FIG.1 and col.8, line 49-col.9, line 9.

**Regarding claim 15,** Ojha discloses a method for a controller to facilitate a transaction as analyzed and disclosed in claim 1 above. Ojha also discloses that the buyer offer information comprises at least one of (i) an item category, (ii) an item quality

class, (iii) at least one item feature, (iv) a buyer price, (v) an age associated with the item, (vi) an item manufacturer, (vii) an item description, (viii) an item image, (ix) an item condition, (x) a buyer offer period, (xi) buyer delivery information, (xii) buyer payment information, (xiii) a buyer evaluation rule, and (xiv) a buyer preference (see at least col.9, lines 28-45, " *The buyer may further specify the type of laptop (e.g., ThinkPad.RTM. 600) to varying degrees of specificity in the Keyword(s) window. More advanced searching options are also available for more skilled users and more focused searches in which a variety of product criteria may be specified. ... When the buyer finishes specifying the product and clicks on "Go," a search of a proprietary database is initiated in response to which relevant product information is presented in the form of a list of products as shown in interface 500 of FIG. 5. Each entry in the list includes the manufacturer, specific product information, and a product price (e.g., the "Lowest Price" column which displays the lowest list price from among the sellers selling the specific product via the transaction site).* "... Note: specifying IBM laptop Thinkpad..600...covers this limitation).

**Regarding claims 19-22,** Ojha discloses a method for a controller to facilitate a transaction as analyzed and disclosed in claim 1 above. Ojha also discloses :

the seller offer information comprises at least one transaction requirement and said matching is only performed if the buyer offer information complies with the at least one transaction requirement ,

the seller offer information comprises at least one transaction preference and said matching is based on the transaction preference,

the buyer offer information comprises at least one transaction requirement and said matching is only performed if the seller offer information complies with the at least one transaction requirement , and



the buyer offer information comprises at least one transaction preference and said matching is based on the transaction preference.

(For the above limitations see at least col.5, lines 40-55, wherein Ojha discloses receiving a plurality of conditional purchase offers including an offer price and the same are transmitted to the sellers with the expectation to receive an acceptance to the conditional purchase offer. Acceptance of a conditional purchase offer corresponds to the requirement to comply with one transaction/transaction preference for both buyers and sellers.

**Regarding claims 23 & 24**, Ojha discloses a method for a controller to facilitate a transaction including an evaluation rule to match the buyer's offer to the seller's offer as analyzed and disclosed in claim 1 above . Ojha further discloses that the evaluation rule is performed automatically based on revenue management information associated with the controller, wherein the revenue management information comprises at least one of: (i) an amount of profit associated with the controller, and (ii) a number of transactions associated with the controller (see at least col.15, lines 31-67. Note: Business rules correspond to evaluation rules, bid-list spread corresponds to the range of difference between the buyer's offered bid and the seller's suggested list price and corresponds to the revenue management information/profit associated with the controller. Also see col.17, lines 1-38 which specify a minimum gross margin for the sellers, and see col.19, lines 12-67.).Note: Claims 23-24 have been interpreted as analyzed above under "Claim Rejections - 35 USC § 112" above.

**Regarding claim 25**, Ojha discloses a method for a controller to facilitate a transaction including an evaluation rule to match the buyer's offer to the seller's offer as analyzed and disclosed in claim 1 above. Ojha also discloses that the evaluation rule is

performed manually by a controller operator (see at least col.5, line 56-col.6, line 10, FIG.1 and col.8, line 49-col.9, line 9. Ojha discloses a transaction site including a server 102 which corresponds to the controller and this transaction site displays product criteria and the conditional purchase offer the same for sellers. The step of programming to display the product criteria and the conditional purchase offer will involve a server operator to perform this step.

**Regarding claims 26 and 27,** Ojha discloses that determining the evaluation rule comprises retrieving a predetermined evaluation rule/selecting an evaluation rule from a plurality of possible evaluation rules (see at least col.15, lines 31-67. Note: Business rules /criteria correspond to evaluation rules. Also, see col.17, lines 1-38 which specify a minimum gross margin for the sellers.).

**Regarding claims 29-30,** Ojha discloses a method for a controller to facilitate a transaction including an evaluation rule to match the buyer's offer to the seller's offer as analyzed and disclosed in claim 1 above. Ojha further discloses that the said determining the evaluation rule is based on a matching objective, which comprises at least one of: (i) increasing a profit associated with the transaction, and (ii) increasing a total number of transactions (see at least col.14, lines 49-col.15, line 67. Note: Business rules correspond to evaluation rules, and bid-list spread corresponds to the range of difference between the buyer's offered bid and the seller's suggested list price and corresponds to the profit associated with the transaction. Also, see col.17, lines 1-38 which specify a minimum gross margin for the sellers, and see col.19, lines 12-67).

**Regarding claim 31**, Ojha also teaches that the evaluation rule comprises at least one of (i) not matching the buyer with at least one predetermined seller, and (ii) not matching the seller with at least one predetermined buyer (see at least col.3, lines 43-58. Here, Ojha discloses that based upon a certain level of reputation of the buyer, a predetermined seller would not like to respond to the buyer's offer, which implies not matching the buyer with at least one predetermined seller. Also, see col.13, lines 17-46. Also, see col.3, lines 3-58.).

**Regarding claim 32**, the limitations are already covered in claim 2 above.

**Regarding claims 33-34**, Ojha discloses a method for a controller to facilitate a transaction including an evaluation rule to match the buyer's offer to the seller's offer as analyzed and disclosed in claim 1 above. Ojha further discloses that the said evaluation rule is based on information associated with the controller comprising at least one of. (i) an amount of profit associated with the transaction for the controller, (ii) a current overall level of profit associated with the controller, (iii) information associated with another controller, (iv) a total number of buyer offers pending in the controller for similar items, and (v) a total number of seller offers pending in the controller for similar items (see at least col.14, lines 49-col.15, line 67. Note: Business rules correspond to evaluation rules, and bid-list spread corresponds to the range of difference between the buyer's offered bid and the seller's suggested list price and corresponds to the profit associated with the transaction. These business rules, corresponding to evaluation rules, are associated with the controller because they are implemented on the transaction site server 102 which corresponds to the controller. See col.7, lines 55-58 for another controller, where

the second transaction site corresponds to another controller. Also, see col.17, lines 1-38 which specify a minimum gross margin for the sellers, and col.19, lines 12-67).

**Regarding claim 35**, the limitation is already covered in claim 2.

**Regarding claim 36**, Ojha further teaches that the information associated with the seller comprises at least one of: (i) a seller location, (ii) a seller transaction history, (iii) a seller reputation, (iv) a seller payment identifier, (v) demographic information associated with the seller, (vi) psychographic information associated with the seller, (vii) a credit rating associated with the seller, (viii) other offers to sell associated with the seller, (ix) other offers to buy associated with the seller, and (x) an amount of profit associated with the transaction for the seller (see at least col.10, line 31-col.11, line 13 for merchant/seller information including his seller's ratings, col.12, lines 3-28 specifying an amount of profit associated with the transaction for the seller, col.17, lines 1-38 and col.21, lines 41-52, " ...cross-selling" corresponds to other offers to sell.

**Regarding claim 37**, the limitation is already covered in claim 2.

**Regarding claim 38**, Ojha further discloses that the information associated with the buyer comprises at least one of (i) a buyer location, (ii) a buyer transaction history, (iii) a buyer reputation, (iv) a buyer payment identifier, (v) demographic information associated with the buyer, (vi) a credit rating associated with the buyer, (vii) psychographic information associated with the buyer, (viii) other offers to sell associated with the buyer, (ix) other offers to buy associated with the buyer, and (x) an amount of profit associated with the transaction for the buyer (see at least col.4, lines 22-23, "

*Alternatively, the transaction site can make the **buyer's payment and shipping information** available to the seller " , col.3, lines 22-27 disclose a buyer reputation, a buyer payment identifier, and col.21, lines 41-52, " ...cross-selling" corresponds to other offers to buy. Also, see col.3, lines 6-line 58.).*

**Regarding claims 39 and 40,** Ojha discloses a method for a controller to facilitate a transaction including an evaluation rule to match the buyer's offer to the seller's offer as analyzed and disclosed in claim 1 above. Ojha further discloses that the said evaluation rule is based on information associated with the item and the information associated with the item comprises at least one of: (i) a past popularity of the item, (ii) a current popularity of the item, and (iii) a predicted future popularity of the item (see at least col.10, line 25-col.11, line 4, " *Interface 500 also includes an advanced search interface in which specific parameters associated with the specified product type may be specified. In the example shown, for the product type "Laptop" the processor, the display size, and the speed may be specified to further refine the search. ....In addition, a "Comments" feature is provided which allows the buyer or other individuals authorized by the buyer to insert personal comments regarding each specific product or merchant. Such comments could include full text messages or, for example, product or merchant ratings. Insertion of comments by the buyer is effected by activation of a "Comments" button in each shopping list entry. This results in presentation of window (not shown) in which new comments may be entered or old comments edited. ....* As discussed above, these comments may be full text messages regarding anything relevant to the listed product or merchant. Comments may also take the form of a rating of the product or merchant according to a scale automatically provided to the reviewers in the reviewer network. According to specific embodiments, the system of the present invention automatically compiles ratings from the buyer and reviewers to create indices which may be used for decision making. .... The buyer may then exchange comments about various products and merchants via an

*interface on the web site with his reviewers and others who have been authorized to review by that buyer.* ". Note: Specified parameters of the product, such as product type, the processor type, display size, etc, correspond to the evaluation rule based on information of the item and the comments/recommendations/rankings provided by the reviewers/buyers provide past popularity, current popularity and predicted future popularity about the items ).

**Regarding claims 41, 42 and 43,** Ojha discloses a method for a controller to facilitate a transaction including an evaluation rule to match the buyer's offer to the seller's offer as analyzed and disclosed in claim 1 above. Ojha further discloses that the said matching comprises: matching the seller offer information with a plurality of buyer offers; and selecting one of the plurality of buyer offers, wherein said selecting is based on priority rankings associated with the buyer offers and wherein the priority rankings are based on at least one of: (i) priority payments, (ii) other seller offers for similar items, (iii) other buyer offers for similar items, (iv) transaction histories, (v) the seller offer information, and (vi) the buyer offer information (see at least col.5, lines 40-55, "*.....A plurality of conditional purchase offers from the buyer to a subset of the plurality of sellers is received. .... The plurality of conditional purchase offers are transmitted to the subset of the plurality of sellers after receiving a payment identifier. An acceptance responsive to one of the plurality of conditional purchase offers is received from a first one of the plurality of sellers. Negotiations between the buyer and others of the subset of plurality of sellers are automatically terminated in response to the acceptance in accordance with a mutually exclusive group defined by the buyer. ....*" . Note: The buyer's conditional purchase offers are matched with the seller's offers and with the acceptance by the first seller that his offer matches the buyer's offer, balance negotiations with the other seller offers are terminated cover the limitations of the claims 41-43. The selection of the buyer offer is based on the priority

ranking of the buyer offer which one is accepted first to match with one of the sellers' offers. Also see col.3, line 6-col.4, line 67. ).

**Regarding claims 44, 45, and 46,** Ojha discloses a method for a controller to facilitate a transaction including an evaluation rule to match the buyer's offer to the seller's offer as analyzed and disclosed in claim 1 above. Ojha further discloses that said matching comprises: matching the buyer offer information with a plurality of seller offers; and selecting one of the plurality of seller offers, said selecting is based on priority rankings associated with the seller offers, and the priority rankings are based on at least one of: (i) priority payments, (ii) other seller offers for similar items, (iii) other buyer offers for similar items, and (iv) transaction histories (see at least col.5, lines 40-55, ".....A plurality of conditional purchase offers from the buyer to a subset of the plurality of sellers is received. .... The plurality of conditional purchase offers are transmitted to the subset of the plurality of sellers after receiving a payment identifier. An acceptance responsive to one of the plurality of conditional purchase offers is received from a first one of the plurality of sellers. Negotiations between the buyer and others of the subset of plurality of sellers are automatically terminated in response to the acceptance in accordance with a mutually exclusive group defined by the buyer. .... ". Note: The buyer's conditional purchase offers are matched with the seller's offers and with the acceptance by the first seller that his offer matches the buyer's offer, balance negotiations with the other seller offers are terminated cover the limitations of the claims 41-43. The selection of the seller offer is based on the priority ranking of the buyer offer which one is accepted first to match with one of the sellers' offers. Also, see col.3, line 6-col.4, line 67.).

**Regarding claims 47-48,** their limitations are already covered in claims 41 and 42 above and are therefore rejected based on the same rational.

**Regarding claims 50-54**, Ojha discloses a method for a controller to facilitate a transaction including an evaluation rule to match the buyer's offer to the seller's offer as analyzed and disclosed in claim 1 above. Ojha further discloses:

the seller is obligated to sell the item subsequent to said matching.

arranging for the seller to provide payment of a penalty amount if the seller does not sell the item.

the buyer is obligated to buy the item subsequent to said matching,

arranging for the buyer to provide payment of a penalty amount if the buyer does not buy the item,

the seller and the buyer are obligated to complete a transaction subsequent to said matching.

(For the above limitations of claims 50-54 see col.21, lines 30-40, " ..... However, it will be understood that negotiations may be made partially or fully binding without departing from the scope of the invention. That is, a payment identifier such as, for example, a credit card or billing account may be requested before a party is allowed to negotiate. If the party attempts to terminate negotiations prematurely, some sort of penalty may be assessed to the identified account. ". Note: If either the seller or buyer do not abide by their offers they are subject to a penalty and are obligated to complete a transaction.).

**Regarding claims 55-56**, Ojha, discloses a method for a controller to facilitate a transaction including an evaluation rule to match the buyer's offer to the seller's offer as analyzed and disclosed in claim 1 above. Ojha further discloses:

determining an appropriate item price based on the seller offer information (see at least col.9, lines 36-56 and col. 11, lines 14-34, wherein Ojha discloses that the buyer



determines an appropriate item price based on the seller information and accordingly submits a bid) ;

transmitting information associated with the appropriate item price to the seller; and determining a seller price (see at least col.12, lines 3-68, wherein Ojha discloses that the buyer's bid information is transmitted to the seller leading the seller to determine a seller price to respond to the buyer, which may result in a multi-step negotiation).

determining an appropriate item price based on the buyer offer information (see at least col.5, lines 40-55, wherein the seller determines a seller offer that is an appropriate item price based upon the buyer's offer); transmitting information associated with the appropriate item price to the buyer; and determining a buyer price (see at least col.5, lines 40-55, wherein the seller transmits his price to the buyer leading the buyer to determine his buyer's price in response as a part of negotiation).

**Regarding claims 57-59**, Ojha, discloses a method for a controller to facilitate a transaction including an evaluation rule to match the buyer's offer to the seller's offer as analyzed and disclosed in claim 1 above. Ojha further discloses:

determining a subsidy, the subsidy being associated with a benefit from a subsidy provider to be applied to the transaction, wherein said arranging comprises arranging for the seller to provide the item to the buyer in accordance with the subsidy, wherein the benefit comprises a subsidy amount, and said matching is performed by adding the subsidy amount to a buyer price (see at least col.19 lines 12-53), and by subtracting the subsidy amount from a seller price (see col.3, lines 44-57, "*.....In addition, a seller could give preferential treatment, e.g. discounts, to buyers....*".. Note: sellers providing a discount corresponds to subtracting the subsidy from a seller's price).

**Regarding claim 83**, Ojha discloses a method for a controller to facilitate a transaction, comprising: receiving a binding seller offer associated with an item being offered for sale by a seller; receiving a binding buyer offer associated with a buyer offering to make a purchase; matching the binding seller offer with the binding buyer offer; and arranging for the seller to sell the item to the buyer (see at least col.5, lines 40-55, col.21, lines 29-39, col. 4, lines 14-27).

**Regarding claim 84**, Ojha discloses that the method of claim 83, further comprising:

receiving, prior to said matching, seller payment information associated with the seller; and receiving, prior to said matching, buyer payment information associated with the buyer, wherein said arranging is performed using at least one of (i) the seller payment information, and (ii) the buyer payment information (see at least col.5, lines 40-55, col.21, lines 29-39, col. 4, lines 14-27).

**Regarding claims 85-88**, Ojha discloses:

that the method of claim 83, further comprising: applying a penalty to the seller if the seller does not provide the item to the buyer,

that the method of claim 85, wherein the penalty comprises at least one of- (i) payment of a penalty amount, (ii) preventing another offer from the seller, and (iii) adjusting a reputation associated with the seller,

that the method of claim 83, further comprising: applying a penalty to the buyer if the buyer does not purchase the item from the seller.

that the method of claim 87, wherein the penalty comprises at least one of (i) payment of a penalty amount, (ii) preventing another offer from the buyer, and (iii)

adjusting a reputation associated with the buyer.

(For all the above limitations see at least col.21, lines 29-39, col.3, lines 22-58).

**Regarding claim 89**, Ojha discloses that the method of claim 83, wherein the item is a secondary market item (see at least col.19, lines 64-67 and col.20, lines 60-67. Note: Selling used items or performing resale of items corresponds to secondary market item).

**Regarding claims 90-93**, the functional limitations are parallel to the method steps of claim 1 and is therefore analyzed and rejected on the basis of same rational. As regards hardware and software components, see at least Fig.1, Figs. 3-18, col.8, line 48-col.9, line 9, col.15, lines 31-60, col.19, lines 12-53. Note: the subsidy provider device corresponds to the transaction site/server 102. As regards buyer, seller, buyer offers, seller offers, item category databases, etc, see at least col.2, lines 54-62, "***a proprietary database***".).

**Regarding claim 94**, all its limitations are already covered in claims 1-2, 83 and 89 and is therefore analyzed and rejected under 35 U.S.C. 102(e) as being anticipated by Ojha based on the same rational. As regards "minimum price" of the seller's offer and the "maximum price" of the buyer's offer please see at least seller's "ask price" in Fig.8, 9, col.9, lines 36-56 and the buyer's conditional purchase offer price, see col.5, lines 40-55.

***Claim Rejections - 35 USC § 103***

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6.1. Claims 16-18 and 49 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ojha and further in view of Hess et al. (US Patent 6,415,320), hereinafter, referred to as Hess.

**Regarding claims 16-18**, Ojha discloses a method for a controller to facilitate a transaction between sellers and buyers by using an evaluation rule as analyzed and disclosed in claim 1 above. Ojha does not disclose the following:

the seller offer information comprises a seller address, the buyer offer information comprises a buyer address and said matching is performed based on the seller address and the buyer address,

the evaluation rule comprises the seller address being within a predetermined distance of the buyer address, and

the evaluation rule comprises the seller address and the buyer address being within a predetermined distance of a third party address.

However, in the filed of same endeavor, Hess discloses all the above three limitations (see at least FIG.6A and col.7, lines 10-27, " *Providing the location 620 of the item allows prospective buyers to evaluate potential costs relating to shipping, etc.....*". Note:

asking for the location from prospective buyers and sellers and providing the location of the item corresponds to the fact that the buyer and seller information includes the addresses if the items are to be shipped to the designated destinations and this factor becomes an evaluation rule to match the buyer and seller information. Also if the item is not located at the seller's place and is located at a third location then the item location is required for the obvious reason of knowing shipping cost. In view of Hess, it would have been obvious to a person of an ordinary skill in the art at the time of the applicants' invention to have modified Ojha to incorporate the feature of knowing buyer's , seller's, and third party address, where the item is located because it is required to calculate the shipping costs.

**Regarding claim 49**, Ojha discloses a method for a controller to facilitate a transaction between sellers and buyers by using an evaluation rule as analyzed and disclosed in claim 1 above. Ojha does not disclose that said matching is performed periodically. Note: the limitation matching periodically pertains to searching for matching codes as disclosed in the specification, see page 12, lines 15-20. In the filed of same endeavor, Hess discloses harvesting periodically for the matching images (see at least col.6, lines 12-40, col.8, lines 2-6. Harvesting of images refers to retrieving or downloading images for items for sale from various sites and aggregated for presentation to the buyers, see at least col.2, lines 6-17. In view of Hess, it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Ojha to incorporate the feature of searching matching codes periodically for the obvious reason of checking to match with new/updated seller's offers.

### ***Conclusion***

7. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

(i) US Patent 5,794,207 to Walker et al. discloses a method and an apparatus for conducting electronic commerce via network by presenting conditional purchase offers from the buyers to sellers. This reference can also be used to render obvious the recited claims 1-59 and 83-94.

(ii) US Patents 5,758,328 to Giovannoli, 6,055,519 to Kennedy et al., 6,202,051 to Woolston, 6,236,972 to Shkedy, 6,338,050 to Conklin et al. and 6,453,306 to Quelene disclose systems and methods to conduct electronic commerce between buyers and sellers via a network.

(iii) Evans, John; "A good deal less painful: [1GS Edition]"; Sunday Times; London; Oct 24, 1999; pg 23; extracted on Internet from <http://proquest.umi.com> on 2/9/2004 discloses making purchase offers on Internet with binding description.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yogesh C Garg whose telephone number is 703-306-0252. The examiner can normally be reached on M-F(8:30-4:00).

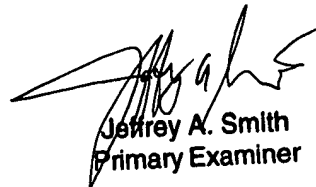
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent A Millin can be reached on 703-308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Yogesh C Garg  
Examiner  
Art Unit 3625

YCG  
February 9, 2004



Jeffrey A. Smith  
Primary Examiner